constituted by Government from time to time to find a solution to the existing problems of the oil industry, to improve its performance and also to prepare it to face the future challenges. Recommendations of such Committees are examined and appropriate decisions taken for implementation.

(c) No, Sir.

(d) Does not arise.

CAG report on undue benefits to Oil Companies by Ministry of Petroleum and OCC

3027. SHRI PREM CHAND GUPTA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that as per the Report of the CAG, the Petroleum Ministry and Oil Coordination Committee allowed payment of Rs. 6321 crore to Oil Companies during 1993 to 1998;

(b) whether the amount could have been used to off set the oil pool deficit which was Rs. 12,984 crores at the time but Government raised prices and issued bonds to Oil Companies thus placing some of the burden on the consumers; and

(c) if so, Government's views in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) Under the Administered Pricing Mechanism (APM), Oil Companies are allowed compensation for various components such as refining margins, marketing margins and pipeline margins etc. Such compensations are made in accordance with the various provisions duly approved by the Government from time to time under the APM regime. The Ministry of Petroleum and Natural Gas and Oil Coordination Committee (OCC) have been allowing release of compensation accordingly.

(b) No, Sir.

(c) Does not arise.

Expansion of CPCL

3028. SHRI RAMACHANDRAIAH RUMANDLA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have approved expansion of the Chennai Petroleum Corporation Limited (CPCL) to increase its refining capacity;

(b) if so, the details thereof; and

(c) the modernisation and expansion of other refineries under consideration to bridge the demand-supply of petroleum products?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) and (b) The 3 million metric tonnes per annum (MMTPA) refinery capacity expansion-cum-modernisation project of Chennai Petroleum Corporation Ltd. at Manali, Chennai has been sanctioned at an estimated cost of Rs. 2360.38 crores, including foreign exchange component of Rs. 333.82 crores, and the project is to be completed within 36 months, i.e. by July, 2003.

(c) The expansion of existing refineries which were identified for completion during the 9th plan are given in statement.

Statement

Capacity expansion of Refineries identified for completion in the Ninth Plan

Refinery Expansion Projects

(A) Public Sector Unit (PSU) Refinery Expansion Projects

		Capacity (in million metric tonnes per annum) (MMTPA)
1.	Indian Oil Corporation Ltd., (IOC) Barauni, Expansion (Ph-I)	0.90
2.	Hindustan Petroleum Corporation Ltd. (HPCL) Visakh Expansion	3.00
3.	Indian Oil Corporation Ltd., (IOC), Koyali Expansion	3.00
4.	Indian Oil Corporation Ltd., (IOC), Mathura	0.50

(B) Joint Venture Refinery Expansion Projects

1.	Mangalore Refinery and Petrochemicals Ltd. (MRPL), Mangalore	6.00

Sale of subsidised Diesel in open market

3029. SHRI SANJAY NIRUPAM: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Oil Companies are issuing diesel at subsidised rates which is being sold in the open market thereby causing revenue loss to Government;